

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS****CDBG SECTION**

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**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number: 02-20**

**TO: All Eligible Jurisdictions and Interested Parties**      **DATE: October 3, 2002**  
**SUBJECT: 1.) Changes to Chapter 15 – Economic Development in Grant Management Manual**  
**2.) Effective date of new approval requirements for EF activities**

## IMPORTANT CHANGES!!!

- 1.) Please delete page 15-42 (Verification Process for Individuals) from the 2002 Grant Management Manual. This form is not appropriate for any or all Economic Development activities. (Caution) Do not delete page 15-43 which is on the reverse side.

In paragraph 2 on page 15-5, second sentence, please change “self-certifications” to self-verifications. The corrected paragraph should read as follows:

***Caution:** Unlike a Self-Certification of Family Income for Employment form, a Self-Verification of Income form, which is a stand-alone document signed by a potential employee in the rare instance where no backup income documentation actually exists, must be used sparingly and is discouraged unless it can be demonstrated that it is the only option available for income screening and verification. **In no instance may self-verifications be the only source of eligibility documentation for assistance to a business or microenterprise size business.***

- 2.) The requirement for approval by the ED Advisory Committee (EDAC) of Enterprise Fund (EF) business assistance loans, microloans or infrastructure projects, in excess of \$250,000, will begin with the 2002-03 EF grants. Standard Agreements for the 2002-03 EF grants will reflect the new requirements.

**Effective immediately** CDBG staff will increase their attention to the details of the underwriting of these loans and grants at the time of the drawdown request. If you anticipate submitting a drawdown request for an activity in excess of \$250,000, including the associated general administration and activity delivery costs, please contact your ED Representative early in the process to avoid delays at the time of drawdown.

The \$250,000 requirement will not apply to business assistance loans or infrastructure projects carried out with funds from program income accounts.

**If you have any questions, please contact your ED program Representative or the ED Program Secretary at (916) 263-0485.**